

(2) It is computationally infeasible that an electronic record can be derived or reconstituted from the message digest result produced by the algorithm; and

(3) It is computationally infeasible that two electronic records can be found that produce the same message digest using the algorithm.

*Originator* means an entity authorized by a person to initiate debit or credit entries to the person's deposit account and that also has an agreement with a financial institution to transmit the debit or credit entries to the person's deposit account.

*Owner* means the person(s) in whose name(s) a security is registered.

*Payment* means, for the purpose of subpart B of this chapter, the deposit of money from the Department of the Treasury to the deposit account of the owner.

*Person* means any natural person or organization.

*Public-key encryption* means a process which generates and employs a key pair consisting of a private key and its mathematically related public key, in which one use of the public key is to verify a digital signature created by the private key.

*Record* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

*Security* means any obligation issued by the United States that, by the terms of the applicable offering circular, is made subject to this part.

*Settlement date* means the date an exchange of funds with respect to an entry is reflected on the books of the Federal Reserve Bank(s). For a security held in the TREASURY DIRECT system, the issue date will in most cases be the same as the settlement date. For United States Savings Bonds, the issue date will in most cases be the first day of the month in which settlement takes place.

*Signature* means any symbol or method executed or adopted by a party with present intention to be bound.

## Subpart B—Credit ACH Entries

### § 370.5 Designation of a financial institution to receive ACH payments.

(a) The owner of a security shall designate a financial institution to receive ACH payments and shall identify the deposit account to which the payments are to be credited, in accordance with the Treasury circular and regulations governing the terms and conditions of the security to which the payment relates.

(b) The designation of a financial institution by an owner to receive payments with respect to a security constitutes the appointment of that institution as the owner's agent for the receipt of such payments. The crediting of a payment to the institution for deposit to an account in accordance with the instructions of the owner discharges the United States of any further responsibility for such payment. Where the institution has arranged with the Federal Reserve Bank to have payments credited through a designee institution, the crediting of a payment to that designee institution discharges the United States of any further responsibility for the amount of such payment.

(Approved by the Office of Management and Budget under control number 1535–0094)

[54 FR 38988, Sept. 22, 1989. Redesignated at 61 FR 54910, Oct. 22, 1996]

### § 370.6 Agreement of the financial institution.

Any financial institution which has agreed to accept credit payments under 31 CFR part 210, or hereafter agrees to do so, shall be deemed to accept payments under this part. In any case, a financial institution's acceptance and handling of a payment made with respect to a security covered by this part shall constitute its agreement to the provisions of this part. An institution may not be designated to receive payments, as provided in this part, unless it has agreed, or hereafter agrees, to receive direct deposit payments under 31 CFR part 210.

[54 FR 38988, Sept. 22, 1989. Redesignated at 61 FR 54910, Oct. 22, 1996]